

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF LICKING
VALLEY RURAL ELECTRIC COOPERATIVE
CORPORATION TO PROVIDE ADEQUATE
REVENUES FOR ITS OPERATIONS

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CASE NO. 8447

O R D E R

IT IS ORDERED that Licking Valley Rural Electric Co-operative Corporation shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Protection, by April 2, 1982. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 1

1. The board resolution approving the January 1982 wage adjustment. Also provide the dates and hourly wage rates for any wage increases that took place during the test year.

2. An analysis of test year salaries and wages showing base pay and overtime pay broken down into expense and

non-expense categories in the manner in which the proposed adjustment is broken down on page 14 of the retail rate study filed with the application.

3. A schedule of salaries and wages for the test year and each of the 5 preceding calendar years as shown in Format 1, attached.

4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed work papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e., voucher number, etc.), dollar amount and brief description of the expenditure.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from the co-op's most recent audit.

8. Provide the utility's times interest and earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

9. Provide the utility's rate of return on net investment rate base for the test year and the 5 preceding calendar years.

10. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed work papers supporting the analysis. At minimum the work papers should show the payee, dollar amount, reference (i.e., voucher number, etc.), account charged, and a brief description of the service provided.

11. A copy of the most recent publication of the Borrower Statistical Profile for Licking Valley RECC as published by the Rural Electrification Administration.

12. A copy of Kentucky's Electric Cooperatives Operating and Expense Statistical Comparisons for 1980.

13. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number elected, and a general description of the meeting's activities.

14. A copy of the cooperative's bylaws.

Done at Frankfort, Kentucky, this 2nd day of March, 1982.

PUBLIC SERVICE COMMISSION

Marlin H. Voth
For the Commission

ATTEST:

Secretary

Licking Valley Rural Electric Cooperative Corporation

Format 1
Page 1 of 2

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ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 19 76 Through 19 80
And the 12-Month Period Ending October 31, 1981

(000's)

Line No.	Item (a)	12 Months Ended										Test	
		Calendar Years Prior to Test Year										Year	
		5th	4th	3rd	2nd	1st							
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)

1. Wages charged to expense:
2. Power production expense
3. Transmission expenses
4. Distribution expenses
5. Customer accounts expense
6. Sales expenses
7. Administrative and general expenses:
 - (a) Administrative and general salaries
 - (b) Office supplies and expense
 - (c) Administrative expense transferred-cr.
 - (d) Outside services employed
 - (e) Property insurance
 - (f) Injuries and damages

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Format 1
Schedule 2 of 2

12 Months Ended													Test Year
Calendar Years Prior to Test Year													
5th		4th		3rd		2nd		1st					
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expenses
- (j) Duplicate charges-cr.
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

8. Total administrative and general expenses L7(a) through L7(m)

9. Total salaries and wages charged expense (L2 through L6 + L8)

10. Wages capitalized

11. Total salaries and wages

12. Ratio of salaries and wages charged expense to total wages (L9 + L11)

13. Ratio of salaries and wages capitalized to total wages (L10 + L11)

14. Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

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ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended October 31, 1981

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Conservation</u> <u>Advertising</u> <u>(d)</u>	<u>Rate</u> <u>Case</u> <u>(e)</u>	<u>Other</u> <u>(f)</u>	<u>Total</u> <u>(g)</u>
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

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ACCOUNT 930 - MISCELLANEOUS EXPENSES

For the 12 Months Ended October 31, 1981

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Amount</u> (b)
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Director's Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

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Professional Service Expenses

For the 12 Months Ended October 31, 1981

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				